

CONSIDERATION OF RESOLUTION IN  
SUPPORT OF STATEWIDE BALLOT  
PROPOSITION 15 ON THE NOVEMBER  
3<sup>RD</sup> 2020 GENERAL ELECTION BALLOT

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Santa Barbara County Board of Supervisors Hearing  
September 15<sup>th</sup>, 2020

# Proposition 15: California Schools and Local Communities Funding Act of 2020

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- Amends the California State Constitution to require commercial and industrial properties to be taxed based on their fair market value.
- Exempts:
  - Residential property
  - Property used for commercial agriculture
  - Commercial and industrial property with a fair market value of \$3 million or less
  - All personal property used for business purposes for small businesses that have 50 or fewer employees and up to \$500,000 of personal property for other businesses

# Current Commercial Property Tax Assessment

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- Proposition 13, passed in 1978, set property taxes for residential, commercial, and industrial properties at 1% of their purchase price with an annual adjustment of either the rate of inflation or 2 percent per year, whichever is lower.
- The market value of most properties grows faster than 2% per year so the taxable value of most properties is less than their market value.
- Reassessment is triggered by change of property ownership – commercial and industrial properties change ownership much less frequently than properties belonging homeowners and small businesses

California is one of the only states where reassessment is only triggered by change of ownership or when new construction is completed

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- Alaska – annual reassessment of property
- Arizona – annual reassessment of property
- Colorado – every two years
- Florida – at least every 5 years
- Texas – at least every 3 years
- Washington – at least every 4 years

\*source: [taxfoundation.org/state-provisions-property-reassessment](http://taxfoundation.org/state-provisions-property-reassessment)

# Revenue Projections

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- The California Legislative Analyst's Office estimates a range of \$7.5 billion to \$12.5 billion in additional revenue would be generated statewide.
- Prop 15 states that revenue must first be distributed to the state to supplement decreases in revenue from the state's personal income tax due to increased property tax deductions and then to counties to cover the costs of implementing the measure.
- The LAO estimates a remaining \$6.5 billion to \$11.5 billion – 60% would be allocated to cities, counties, and special districts and the remaining 40% would be allocated to schools and community colleges.

# What does this mean for Santa Barbara County?

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An analysis done by Blue Sky Consulting Group predicts that Santa Barbara County, cities, and special districts would receive a total of nearly \$51 million, with almost \$29 million of that going into the County General Fund

# Blue Sky Consulting Group Estimates

Entity	Amount
Santa Barbara County General	\$28,906,000
Buellton City	\$359,000
Carpinteria City	\$480,000
Goleta City	\$1,222,000
Guadalupe City	\$145,000
Lompoc City	\$883,000
Santa Barbara City	\$5,326,000
Santa Maria City	\$3,455,000
Solvang City	\$231,000
SB County Fire Protection District	\$4,973,000
Santa Barbara County Flood Control	\$301,000

Entity	Amount
Santa Maria Flood Zone 3	\$218,000
South Coast Flood Zone 2	\$856,000
Santa Barbara County Water Agency	\$387,000
Santa Maria Public Airport District	\$273,000
Santa Maria Cemetery District	\$134,000
Carp/Summerland Fire District	\$867,000
Montecito Fire Protection District	\$377,000
Santa Barbara Metropolitan Transit District	\$136,000
Goleta West Sanitary District	\$395,000
Other	\$1,025,000
Total	\$50,949,000

# Recommended Actions

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- a) Adopt a resolution in support of Statewide Ballot Proposition 15, The California Schools and Local Communities Funding Act of 2020, on the November 3, 2020 statewide ballot; and
  
- b) Determine that the above action is not a project under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5) because it consists of government administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.